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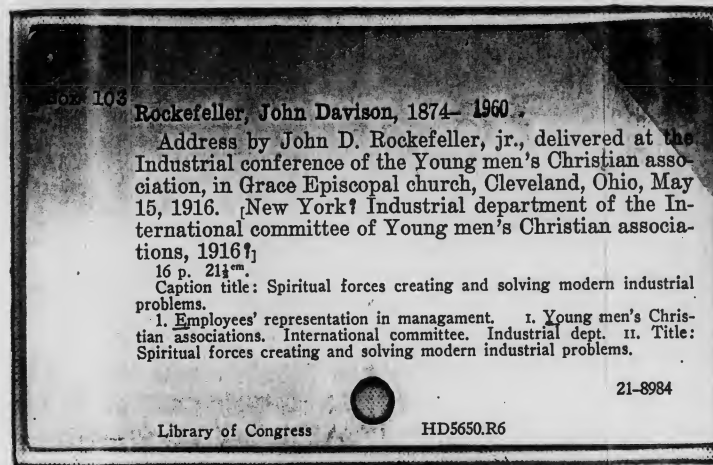
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**DELIVERED AT THE INDUSTRIAL CONFER-
ENCE OF THE YOUNG MEN'S CHRISTIAN ASSO-
CIATION, IN GRACE EPISCOPAL CHURCH,
CLEVELAND, OHIO, MAY 15, 1916**

INDUSTRIAL DEPARTMENT
OF THE
INTERNATIONAL COMMITTEE OF
YOUNG MEN'S CHRISTIAN ASSOCIATIONS

CBS after 14, 1923

**Spiritual Forces Creating and
Solving Modern Industrial
Problems**

(MR. JOHN SHERMAN HOYT, New York City, presiding.)

CHAIRMAN HOYT: I am sorry that we have not a larger room to accommodate this conference. The first speaker this afternoon is Mr. John D. Rockefeller, Jr., who will speak to us on "Spiritual Forces Creating and Solving Modern Industrial Problems." Mr. Rockefeller.

MR. JOHN D. ROCKEFELLER, JR.: Mr. Chairman, ladies and gentlemen, I am quite appalled at the idea of being expected to make a talk here on so important and formidable a subject as the one which the chairman has announced. My contract to be here was not made with the acting chairman, but with the gentleman who sits at his right (Mr. Towson), and the

understanding was that I was to express by my presence and in a very brief and informal talk my own interest in this great subject which the Industrial Department is dealing with. More than that was not expected, and more it would be impossible for me to contribute, for I come here as one eager to learn, not capable of teaching.

I am an earnest student of industrial problems, frankly admitting that my experience is not extensive nor my knowledge broad, but at the same time feeling profoundly their great importance. Aside from the war, which is, of course, the central thought in the mind of the world, the industrial problems are pressing for attention more seriously and with greater force than any other problems. So it behooves men of the intelligence, of the standing, of the sympathy, of the big-heartedness of the men in this movement to study and consider with deepest earnestness these great, vital problems.

The thing that strikes one—that strikes me—at the outset in connection with these problems is the wrong attitude which most people have toward them. On the part of both labor and capital, as well as among the

interested and disinterested public, this mistaken attitude is found. Capital regards labor as a commodity to be bought and sold; labor regards capital as money personified in the soulless corporation. Technically speaking, perhaps both of these definitions might be justified, but they are far from being comprehensive and all inclusive. For both labor and capital are men, men with muscle and men with money; both are human beings and the industrial problem is a great human problem. This is one of the first things we need to recognize, and it is just because the industrial problem is a human problem and has to deal with human nature that it is such an intricate and difficult problem to solve.

Then again, the current attitude is wrong, in that capital and labor are so frequently regarded as enemies. The popular impression seems to be that here are two great contending forces arrayed against each other, each striving to gain the upper hand through force, each feeling that it must arm itself in order to secure from the other its rights and its just dues. Such an attitude as this is only more unfortunate than it is untrue. I cannot believe that labor and

capital are enemies; I cannot believe that they are contending forces and that the success of one must depend upon the failure or the lack of success of the other, or *vice versa*. It seems to me that labor and capital, far from being enemies, are partners, that their interests are common interests, that the well being of neither one can be secured unless the other also is considered, that neither can attain the fullest possibilities of development which lie before both unless they go hand in hand. To many this doctrine sounds heretical. Some of you are doubtless saying: "Here is a man who admits he has had little experience, who has not long been a student of these questions, and who does not know what he is talking about." Nevertheless, I feel a deep and earnest conviction as to the soundness of the statement that labor and capital are partners. Only when the problem is approached from that point of view is there any hope of bringing about closer, more healthful and mutually advantageous relations between them.

Now if the premise which I have laid down is true—that labor and capital are partners—then certain things must follow.

Surely, they must have contact; this standing aloof of the one from the other must end. Partners know each other; they rub elbows; sit around the same table; come to understand each other's point of view. Respect grows in the heart of each for the other; confidence is developed, and they come to realize that they are working with a common interest for a common result.

How can this relationship be brought about? In the old days, when partnerships were more general and corporations were unknown or little known, the owners were the officers of the company, the foremen, and sometimes participants in the labor performed in the common interest. But always there was a close personal touch between the several elements that went to make up the company. As business has developed, as larger aggregations of capital have become necessary in order to deal with the larger enterprises which the growth of the country has demanded, this close and intimate relationship has become regrettably less frequent and less possible. So it often happens, and it seems as though it were almost impossible to have it otherwise, that in the great corporations which exist today, whose employes

are legion and whose stockholders often are as numerous, it is practically impossible for the owners of a company to know their partners, the employees. This fact is largely responsible for the misunderstanding, for the distrust, for the lack of cooperation and mutual sympathy which have grown up, and it seems to me that there must be some way, even under present economic conditions, of getting back to that original contact which did so much in the early days to prevent the difficulties that are arising in these later days.

If it is impossible for the stockholders, because of their number, because of their geographic relation, to come into frequent or even semi-occasional contact with their partners, the employees of a company, at least it is possible, and must be made increasingly possible, for the leading representatives of the stockholders, namely, the officers of the corporation, to come into that close contact with the employees which formerly the stockholders, themselves, the owners, enjoyed. But because of the vast number of employees in many a company, even this is difficult and altogether too infrequent today.

Perhaps the difficulty can be met by the employees of a corporation appointing from their own number, as their representatives, men who are working side by side with them, to meet as often as may be with the officers of the corporation, that, in so far as is possible, there may thus be reproduced the earlier contact between owner and employee. This is possible, and, if such a plan were carried out conscientiously and persistently by both parties in interest, it would go very far toward reestablishing the relations of mutual confidence and common interest which formerly existed. As the officers of our great corporations come to see more and more that the problem of understanding their employees and being understood by them, is a vital problem and one of the most important with which the management is confronted, they will be convinced, not only of the wisdom of devoting far more time to such contact, but of the desirability and the advantage to themselves, to the employees as well as to the company, of such closer association and intimate conference in regard to matters of common interest and concern.

If we look into our own experience we find that the misunderstandings which we

have had with other men have been largely the result of lack of contact. We have not seen eye to eye. Men cannot sit around a table together for a few hours, or several days perhaps, and talk about matters of common interest, with points of view however diverse, with whatever misunderstanding or distrust, without coming to see that, after all, there is much of good in the worst of us and that there is not so much of bad in most of us as the rest of us have sometimes assumed. So this personal contact, talking over the affairs of the company by the officers and the employes, is bound to be of great value in helping each to understand the difficulties with which the other has to contend.

One hesitates to be personal and refer to incidents in one's own experience, and yet perhaps what I have just said may be reinforced by my mentioning the fact that such a program as this has been put into effect in connection with a certain company in Colorado (the Colorado Fuel & Iron Company) with which I am connected, and it has been exceedingly interesting to those in charge of the company, as well as to myself, to find how points of view change when men

get close together. I regarded it as a privilege when in Colorado last year to have the opportunity of talking personally with hundreds, if not thousands, of the employes of the company to which I refer. I found frequently points of difference between the men and the officers. But I found no single instance—although I went there with the impression prevailing on the part, I presume, of practically every man in the employ of the company, that anyone whose name was Rockefeller was the personification of evil, of greed, and of selfishness—going with that handicap I found no single instance where the men, as I met them, were other than friendly, frank, and perfectly willing to discuss with me, as I was glad to discuss with them, any matters they chose to bring up. It frequently occurred that there was justice in the points which they brought up, and their requests were acted favorably upon by the officers. Also frequently situations were presented in which it was impossible for the company to meet the views of the employes. But never was the subject dismissed until, if unable myself to make the situation clear, the highest officials in the company were called in to

explain to the employes, with the utmost fullness of detail, the reasons why the things suggested were impossible. I can recall no single instance where the employe left such a conference with any other than a feeling of absolute satisfaction, so far as I could judge; without seeing that what was being done was being justly and rightly done in the common interest. I mention this fact simply to indicate that from experience, although not extensive, this principle of co-operation, of contact, of talking over matters of difference, is practicable and does work.

One other matter I might mention, a matter of great, of vital moment, and that is the importance of seeing to it that the little grievances—just such little grievances as are bound to come up in your home life and in mine quite as much as in corporate life—that these little grievances are discovered and dealt with at the source. How true it is that a great company is judged—its officers and stockholders are judged—by the attitude and acts of some little, often overzealous agent in some distant part, who, thinking to do a smart thing, takes advantage of a customer or does something that

is unfair. At once the public says: "There, that agent represents the attitude of the officers and the stockholders of that corporation; we knew that they were mean and small men." Well, I need not stop to discuss with you men here today the injustice of any such conclusion, and yet it is human nature thus to reach conclusions. The employe judges the company by the man immediately over him, a man who usually has worked himself up from the position of employe. Most of us cannot stand success and prosperity; our heads are turned, and when we have risen a peg in the world we desire to "lord it" over those from whose ranks we have risen. Lest here again you think me inexperienced, I want to back up this statement with proof. I am the father of five boys, besides a daughter. It is invariably the case that the second brother complains of the bullying of the first brother, and then turns around and bullies the third brother. I do not suppose my children are different from other children. That just seems to be human nature. We have got to count on it, and it is of the utmost importance in any business to make as impossible as may be, any unfair or over-

bearing attitude on the part of officials, however high up or however low down. Some arrangement should be made whereby matters of a controversial nature are taken up at the outset and dealt with. We get a pin scratch on the finger—it seems quite insignificant, so insignificant that we pay no attention to it—but because that wound, made possibly with a rusty pin, is not cleansed, it becomes a festering sore. The difficulty continues, and perhaps before the end of the week, as a result of that insignificant scratch, a finger has to be amputated. An ounce of prevention is worth more than a pound of cure, and in no place is this truer than in dealing with human nature. So I suggest the great importance, in these human relations between labor and capital, of every precaution which will insure dealing fairly, justly, and in a sympathetic manner with every slightest grievance when it first makes its appearance.

But I must not occupy more time. Let me say this in closing. It seems to me the Industrial Department of the International Committee is capable of rendering a great service both to labor and to capital in helping bring about just that better under-

standing, that closer sympathy, that more kindly feeling, that real appreciation each of the other, of which we have been speaking. As your secretaries go among the corporations, as they are working in the common interest, for the officers as well as for the employes, as they are seeking to develop the best in all the men interested in the company, to minister to all wherever ministry is needed, there arises a magnificent opportunity for them to help bring about a better understanding between—I shall not call them these two contending forces, but these separate members of the firm—these partners. So I am looking with great interest to the increasing usefulness of this department of the Young Men's Christian Association in helping to prepare the way for closer cooperation between labor and capital and a better understanding of their own interests, and in helping to usher in the day when not only a few men will be so inexperienced, so bold, so idealistic as you may think me in advocating a firm belief in the principle of the partnership of labor and capital, but rather that generally that view will be accepted. And I believe as you men in this organization help to introduce into

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